

U.S. House of Representatives  
Committee on Commerce  
Subcommittee on Energy and Power  
H.R. 1270, The Nuclear Waste Policy Act of 1997

April 29, 1997

Statement of Congressman Gil Gutknecht

Good afternoon Mr. Chairman and Members of the Subcommittee. I welcome the opportunity to testify on how our nation's nuclear waste storage crisis affects our constituents the taxpayers, as well as state and local governments.

Since 1982, utility ratepayers have been required to pay the federal government more than \$12 billion to cover the cost of providing centralized storage for commercially generated nuclear waste. The Department of Energy was to begin the transport and storage of nuclear waste by January 31, 1998.

We are quickly approaching that deadline and it is very clear that the Department of Energy will not live up to their end of that bargain. The federal government has both a legal and moral responsibility to accept and safely store nuclear waste, as promised.

Further delays are resulting in mounting costs to our nation's utility consumers. Ratepayers who continue to pay the federal government for a centralized storage facility are also being forced to pay for on-site storage at commercial utility plants. This additional burden would not be necessary if the Department of Energy lived up to its moral and legal obligations. My constituents in Minnesota are already bearing this unnecessary burden.

Over the past 15 years, ratepayers in the state of Minnesota have paid more than \$250 million into the Nuclear Waste Fund, believing that the federal government would faithfully fulfill its obligation. But as time went on and the Department of Energy made no progress, utilities in Minnesota and around the country were forced to temporarily store their waste within the confines of their own facilities. As that storage space began running out and it became clear that the Department of Energy would not accept waste by the established deadline, utilities then had to go to their states to ask for additional on-site storage or else be forced to shut down their operations.

In fact, I was in the Minnesota legislature when the Northern States Power Company was confronted with dwindling storage space at the Prairie Island Nuclear Power Plant near Red Wing Minnesota. The Prairie Island Nuclear Plant was built with a pool designed to store spent fuel temporarily until retrieved by the federal government. Over the years, as the federal government failed to live up to its spent fuel management responsibilities, Northern States Power was forced to expand the Storage capacity of the pool by rearranging the spent fuel rods.

With the Department of Energy nowhere close to opening a centralized storage facility, the utility was forced to decide between outside storage and closing down the plant. The Prairie Island Plant employs about 350 workers and provides 1,040 megawatts of power to consumers served by Northern States Power in Minnesota, South Dakota, North Dakota, and Wisconsin. The cost of replacing the Prairie Island Plant's generating capacity was estimated at \$1.8 billion.

Faced with this dilemma, Northern States Power sought approval from the Minnesota state legislature to build a dry cask facility at the Prairie Island Plant. After lengthy and I might say, bruising deliberations, the Minnesota legislature approved enough storage capacity to continue operating the Prairie Island Plant until 2003 or 2004. This on-site storage is not without cost. Consumers in the Midwestern service area alone have paid over \$25 million in storage costs and will pay an estimated \$100 million more by the year 2015 in addition to the required payments to the federal government. With the earliest estimate of opening a permanent facility no earlier than 2010, similar scenarios will no doubt be repeated across the nation.

The lack of a federal interim solution will continue to threaten 30% of Minnesota's overall energy resources, pile unnecessary costs on consumers and again force the State Legislature to make up for the federal government's failed commitments. In fact, the Minnesota Department of Public Service estimates that the increase in costs to consumers could reach as high as 17%, forcing ratepayers to eventually pay three times: once to the Nuclear Waste Fund, again for on-site storage and yet again for increased energy costs.

Ratepayers are not the only ones who face additional and unnecessary costs due to inaction by the federal government; taxpayers are threatened as well.

As you know, the U.S. Court of Appeals ruled last July, that the Department of Energy will be liable for damages if it does not accept commercial nuclear waste by January 31, 1998. Under current law, no one at the Department of Energy will be held personally liable for any assessed damages; the bill will go to the American taxpayers at an estimated cost of \$40 - \$80 billion. Such a tremendous liability burden on taxpayers would be an outrage.

It is clear that while states, utilities, and ratepayers have kept their end of the bargain, now it's our turn.

I'm asking for your support for the bipartisan, common-sense solution of H.R. 1270, introduced by our colleagues, Congressman Fred Upton and Ed Towns. This legislation would end the fleecing of American ratepayers by providing a centralized interim storage facility rather than multiple facilities scattered across the nation.

Mr. Chairman, I applaud the leadership demonstrated by this Subcommittee in the last Congress on this issue, and I look forward to working with you to solve this problem once and for all. Thank you.